

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-05 OES-07 SP-02  
SS-15 STR-04 TRSE-00 ACDA-07 NSCE-00 SSO-00  
USIE-00 INRE-00 FEA-01 /096 W  
-----044778 152319Z /70

O 152304Z AUG 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 4454

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E.O. 11652: N/A

TAGS: ENRG, EIND, CA

SUBJECT: CANADIAN URANIUM DEMARCHE

REF: OTTAWA 7421

1. FOLLOWING ARE TEXTS OF TWO NOTES HANDED TO AMBASSADOR ON AUGUST 15 (SEE REFTEL).
2. FIRST NOTE: QUOTE EXCELLENCY,
3. "I HAVE THE HONOUR TO REFER TO INVESTIGATIONS, HEARINGS AND ACTIONS CONCERNED WITH INTERNATIONAL URANIUM MARKETING ARRANGEMENTS THAT ARE CURRENTLY BEING UNDERTAKEN BY THE EXECUTIVE, JUDICIAL AND LEGISLATIVE BRANCHES OF THE UNITED STATES GOVERNMENT AND STATE GOVERNMENTS AND IN PARTICULAR TO INVESTIGATIONS BEING CONDUCTED BY A DEPARTMENT OF JUSTICE GRAND JURY, THE HOUSE OF REPRESENTATIVES SUB-COMMITTEE ON OVERSIGHT AND INVESTIGATIONS AND CASES RELATED TO THIS MATTER BEING HEARD IN COURTS IN THE UNITED STATES INCLUDING THAT IN THE DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA IN PITTSBURGH AND THAT

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UNDER APPEAL FROM THE FEDERAL DISTRICT COURT IN THE THIRD JUDICIAL DISTRICT COURT IN SALT LAKE CITY.

4. "I HAVE THE HONOUR TO INFORM YOU THAT THE POLICY OF THE CANADIAN GOVERNMENT WAS TO SUPPORT AND PARTICIPATE IN INTERNATIONAL URANIUM MARKETING ARRANGEMENTS FROM 1972 TO 1975 TO ENSURE THE SURVIVAL OF THE CANADIAN URANIUM

INDUSTRY WHICH WAS BEING DAMAGED BY THE RESTRICTIVE URANIUM TRADE PRACTICES OF THE UNITED STATES. CANADIAN MINISTERS AND OFFICIALS WERE ACTING WITHIN THEIR AUTHORITY IN THIS MATTER AND ACTED IN THE WAY THEY DID TO PROTECT CANADIAN NATIONAL INTERESTS. THE CANADIAN GOVERNMENT FINDS IT OBJECTIONABLE THAT THIS CANADIAN GOVERNMENT POLICY SHOULD BE QUESTIONED UNDER UNITED STATES LAW.

5. "I HAVE THE FURTHER HONOUR TO INFORM YOU THAT THE PARTICIPATION OF ALL CANADIAN URANIUM PRODUCERS IN THESE URANIUM MARKETING ARRANGEMENTS WAS A MATTER OF CANADIAN GOVERNMENT POLICY TO ENSURE THE SURVIVAL OF THE INDUSTRY AND, ACCORDINGLY, TO PROTECT THE CANADIAN NATIONAL INTEREST. CANADIAN GOVERNMENT POLICY IN THIS REGARD WAS IMPLEMENTED THROUGH THE ATOMIC ENERGY CONTROL ACT AND REGULATIONS. THESE REGULATIONS PROVIDE, INTER ALIA, THAT NO PERSON SHALL PRODUCE, MINE, PROSPECT FOR, REFINER, USE, SELL, EXPORT, IMPORT OR POSSESS FOR ANY PURPOSE NATURAL URANIUM, EXCEPT IN ACCORDANCE WITH A LICENCE ISSUED BY THE ATOMIC ENERGY CONTROL BOARD.

6. "I HAVE THE HONOUR TO REQUEST THAT YOU COMMUNICATE THIS INFORMATION AT YOUR EARLIEST CONVENIENCE TO THE UNITED STATES GOVERNMENT AND IN PARTICULAR TO THE BODIES REFERRED TO ABOVE WHICH ARE CURRENTLY CONSIDERING MATTERS RELATED TO THE URANIUM MARKETING ARRANGEMENTS.  
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7. "ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF MY HIGHEST CONSIDERATION. SIGNED ACTING SECRETARY OF STATE FOR EXTERNAL AFFAIRS. END QUOTE FIRST NOTE.

8. SECOND NOTE: QUOTE THE DEPARTMENT OF EXTERNAL AFFAIRS HAS THE HONOUR TO REFER TO THE ACTING SECRETARY OF STATE FOR EXTERNAL AFFAIRS' NOTE NO.FLP-177 OF AUGUST 15 CONCERNING INVESTIGATIONS, HEARINGS AND ACTIONS CONCERNED WITH INTERNATIONAL URANIUM MARKETING ARRANGEMENTS THAT ARE CURRENTLY BEING UNDERTAKEN BY THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF THE UNITED STATES GOVERNMENT AND STATE GOVERNMENTS.

9. "THE GOVERNMENT OF CANADA UNDERSTANDS THAT THE FEDERAL DISTRICT COURT IN THE THIRD JUDICIAL DISTRICT IN SALT LAKE CITY, UTAH, HAS ORDERED RIO ALGOM CORPORATION, A U.S.A. SUBSIDIARY OF A CANADIAN COMPANY TO PRODUCE DOCUMENTS WHICH THE GOVERNMENT UNDERSTANDS WERE AT ONE TIME IN THE POSSESSION OF THE CANADIAN PARENT BUT WERE NEVER IN THE TERRITORY OF THE U.S.A. AND ARE NOW AT THE REQUEST OF THE GOVERNMENT OF CANADA IN THE GOVERNMENT'S POSSESSION. THE

GOVERNMENT FURTHER UNDERSTANDS THAT THE COURT HAS TAKEN STEPS TO PENALIZE RIO ALGOM CORPORATION BY IMPOSING A FINE OF \$10,000 A DAY FOR FAILURE TO COMPLY WITH ITS ORDER, NOTWITHSTANDING THE FACT THAT IN THE ABSENCE OF CONSENT BY THE CANADIAN MINISTER OF ENERGY, MINES AND RESOURCES, THE DOCUMENTS ARE PROHIBITED BY CANADIAN REGULATIONS FROM REMOVAL FROM CANADA. THE MINISTER HAS WRITTEN TO THE CANADIAN COMPANY DENYING ITS REQUEST THAT THE DOCUMENTS BE RELEASED.

10. "THE CANADIAN GOVERNMENT IS DEEPLY CONCERNED THAT AN ORDER HAS BEEN ISSUED BY A U.S.A. COURT, THE EFFECT OF WHICH WOULD BE TO COMPEL THE PRODUCTION OF DOCUMENTS FROM

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USIE-00 INRE-00 FEA-01 /096 W

-----044857 152320Z /70

O 152304Z AUG 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 4455

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CANADA CONTRARY TO CANADIAN LAW, A RESULT THAT WOULD BE INCONSISTENT WITH INTERNATIONAL COMITY. THE DEPARTMENT OF EXTERNAL AFFAIRS REQUESTS THE DEPARTMENT OF STATE TO BRING THE CANADIAN GOVERNMENT POSITION TO THE ATTENTION OF THE U.S.A. COURT WHERE THIS ORDER IS NOW UNDER APPEAL.

11. "THE DEPARTMENT OF EXTERNAL AFFAIRS AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE EMBASSY OF THE UNITED STATES OF AMERICA THE ASSURANCES OF ITS HIGHEST CONSIDERATION. END QUOTE SECOND NOTE. ENDERS

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## Message Attributes

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